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TAGS: PREL PREF PGOV KS KN SUBJECT: ROKG LIKELY TO SUSPEND DPRK HUMANITARIAN AID

REF: SEOUL 2211

Classified By: Amb. Alexander R. Vershbow. Reasons 1.4 (b/d).

(C) SUMMARY: In a July 5 meeting with the Ambassador and A/DCM, Foreign Minister Ban Ki-moon shared his "grave concern" over the DPRK missile launches and said that the ROKG had "more or less agreed" to suspend humanitarian aid to the North. FM Ban said that it would be important to respond firmly, but not to escalate the situation. He said that Seoul was still debating whether to postpone next week's inter-Korean ministerial. END SUMMARY.

CABINET CLOSE TO SUSPENDING RICE, FERTILIZER SHIPMENTS

12. (C) Expressing grave concern over the DPRK missile activity, FM Ban said that the launches were a provocative act that challenged stability on the Korean peninsula and in Northeast Asia. He said that the launches were a matter of grave concern and that ROKG was considering strong measures, including the possible suspension of humanitarian aid. Reporting on a cabinet meeting called by President Roh on July 5, FM Ban said the ROKG had "more or less agreed" to suspend delivery of the 500,000 tons of rice and 100,000 tons of fertilizer that had been earmarked for the DPRK. FM Ban indicated that the government was considering other measures and would cooperate closely with the U.S. in shaping a response.

MORE LAUNCHES, OTHER ROKG COUNTERMEASURES POSSIBLE

13. (C) FM Ban said that the ROKG would continue to speak out strongly against the launches as provocative acts for which the DPRK must bear all responsibility. Ban said that there was continuing concern about the possibility of further launches, and in particular, another attempt at a Taepodong-class missile. NIS analysts believed, he said, that there had been two missiles at the launch site and that because today's launch appeared to be unsuccessful, the DPRK could try again in order to recover its prestige. Noting that a second launch could take some weeks to prepare, FM Ban said that he hoped the U.S. and ROK intelligence agencies would continue to work closely to monitor the situation and share information. Underscoring a point that he made in an earlier press conference (Reftel), FM Ban said that the DPRK could not credibly argue that it had the legal right to test missiles. After announcing that it had nuclear weapons, the international community could not sit idle and allow North

Korea to develop a delivery system for its weapons of mass destruction. The missiles, he repeated, were a grave concern that represented a serious threat to the Korean peninsula and the international community. They could also undermine the global regime to limit proliferation, he added.

14. (C) The Ambassador said that he appreciated FM Ban's statement, since it was important to reject efforts to justify the launches as "legal." The Ambassador said A/S Hill would be in Seoul soon to discuss further responses. The best outcome, said the Ambassador, would be for all parties to have a unified message and a unified response.

FIVE PARTY TALKS

- 15. (C) FM Ban said that the ROKG would be in favor of holding a session of the Six Party Talks even without North Korea. Ban noted that, prior to the launch, China had been reluctant to host a meeting in the absence of the DPRK. The ROKG, however, believed that the talks would be useful following the missile launches and would raise the issue with Beijing on July 6. Commenting on China's concern generally, FM Ban said that China appeared to believe that it was not necessary at this time to create too much of a problem. China appeared more concerned about the U.S. response, he said.
- 16. (C) The Ambassador replied that the U.S. would continue to seek resumption of the Six Party Talks and pointed to the USG's positive response to China's suggestion of informal talks. In light of the missile launches, said the Ambassador, the case for Six Party Talks even without North Korea may be even more compelling. However, in the short term, all parties must make the DPRK understand that the missile launches could not simply result in business as usual. North Korea has to understand that they made a mistake. However, while we must be firm in our response, the Ambassador agreed that we must not escalate the situation. The U.S. still hoped to persuade the DPRK to end their boycott of the talks and come back to negotiations.

COMMON THINKING WITH THE SECRETARY

17. (C) FM Ban said that, based on his conversation with Secretary Rice, he did not share China's concern about a U.S.

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overreaction. He recounted that the Secretary said that it would be important not to escalate the situation. FM Ban said that he and the Secretary shared a "common thinking." We must manage the situation and avoid psychological instability on the Korean peninsula.

SUSPENSION OF N-S MINISTERIALS UNDER CONSIDERATION

 $\underline{\ \ }$ 8. (C) FM Ban said that the ROKG had not yet decided whether to postpone or suspend the North-South ministerial meetings scheduled to begin July 11. FM Ban said that the ROKG could hold the meetings as scheduled and use the event as an opportunity to convey strong protest to the DPRK. Alternatively, the ROKG could reschedule or put off the meetings indefinitely, which would send a strong message. According to FM Ban, the ROK has never before boycotted bilateral contacts. FM Ban said that the missile tests were the work of the DPRK military and it was not clear whether cutting off diplomatic contact would have any impact on military circles. It was important to think strategically and determine how best to deal with the DPRK when the military appeared to be taking a stronger hand. At this time, the ROKG believed that the launches were a demonstration of military capabilities. It was possible that, given the attention the missiles were receiving from the U.S. and in the international community, the DPRK saw no alternative other than to launch. It may have been a very politically-calculated maneuver, he said.

¶9. (C) The Ambassador pointed out that although the military agenda may be different than the diplomatic agenda, Kim Jong-il was Chairman of the Defense Committee and probably calculated that he would reap both political and military advantages with the launch. We must make clear, without overreacting, that this was a miscalculation. The Ambassador also offered his personal view that if the ROKG continued with the ministerial talks on July 11, it would give the appearance of "business as usual." The Ambassador suggested that even a short delay or postponement would be a way of signaling displeasure to the DPRK.

SECURITY COUNCIL ACTION

- 110. (C) FM Ban said that it was his understanding that the U.S. was not going to push for a U.N. Security Council resolution, but that Japan would. The past practice has been for the Security Council to take time to go over the issue and the Council may in the end agree to a Presidential statement rather than a resolution calling for specific action. The Ambassador said that while the initial UNSC debate would review the situation, he expected the U.S. would seek UNSC action and hoped that the process would not take as long as FM Ban feared. We cannot allow too much time to pass, he said.
- $\P 11$. (C) FM Ban said that he has had talks with the Foreign Ministers of Japan, China and Russia. Russia, he said, was in favor of having discussions in the Security Council, but was concerned about the U.S. calling for extreme measures.

COMMENT

(C) We would note that the overall ROKG reaction was quick and forthcoming. After the early morning NSC meeting, where, we understand, Unification Minister Lee Jong-seok's initial recommendation of a "soft response" was quickly shot down by FM Ban and MND Yoon, the language used by FM Ban and NSC Suh Joo-seok was appropriately serious. Still, we believe that the ROKG is in a "waiting mode," looking for concrete signals from Washington. Ultimately, the ROKG could decide to take more measures beyond postponing rice and fertilizer assistance. Such measures could include coming on board in a UNSC action, though not a Chapter 7-type sanctions, canceling the inter-Korean ministerials next week and holding the Six Party Talks without North Korea. In order for all of these actions to materialize, we will have to do some heavy lifting, particularly in convincing the ROKs that we are still searching for a solution to denuclearizing North Korea within the Six Party Talks framework, even as we seek to mobilize a strong response to the missile launches. VERSHBOW